

PATENT

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

In re: J. Phillips L. Johnston

Confirmation No.: 8683

Serial No.: 10/672,502

Attorney Docket No.: 38332-1

Filed: 09/26/2003

Examiner: Fonya M. Long

For: System and Method for Performing

Group Art: 3689

Legal Audits

**AMENDMENT IN RESPONSE TO OFFICE ACTION DATED 6/19/08**

Commissioner for Patents  
P O Box 1450  
Alexandria, VA 22313-1450

Dear Sir:

In response to the Office Action dated June 6, 2008, Applicant submits the present Amendment with a petition for a one-month extension. The present Amendment is made to place the application in condition for allowance. Please amend the application as follows.

**Amendments to Claims** are reflected in the listing of claims, which begins on page 2 of this paper.

**Remarks** begin on page 5 of this paper.

## IN THE CLAIMS

1. (Currently Amended) A system for providing automated legal audits of a business comprising a data processing system having at least one computer and user interface, with software running on the computer for providing at least one user with information and advice relating to a legal audit, wherein said information is selected from the group consisting of records of the company's business transactions, minutes of board of directors meetings, contractual agreements, licensing agreements, supplier and vendor agreements, purchase orders, partnership agreements, communications with competitors, intellectual property documents and registrations, and combinations thereof, and wherein the data processing system further includes a database of these records having automated categorization of the records in an index and/or a spreadsheet, wherein the index and/or the spreadsheet are searchable by an authorized user of the system.

2. (Currently Amended) A method comprising the steps of  
providing a system for providing automated legal audits of a business comprising a data processing system having at least one computer and user interface, with software running on the computer for providing at least one user with information relating to a legal audit, wherein said information is selected from the group consisting of records of the company's business transactions, minutes of board of directors meetings, contractual agreements, licensing agreements, supplier and vendor agreements, purchase orders, partnership agreements, communications with competitors, intellectual property documents and registrations, and combinations

thereof, and wherein the data processing system further includes a database of these records having automated categorization of the records in an index and/or a spreadsheet, wherein the index and/or the spreadsheet are searchable by an authorized user of the system;

reviewing by the system legal documents relating to a company's business, wherein said documents are contained in electronic format in the data processing system or database;

reducing by the system the legal documents to summary form in business language, wherein said business language includes layman terms understood by corporate officers, directors and managers ~~summarizing legal documents in business terms~~;

overseeing by the system the organization of all important legal documents; and

advising by the system the board of directors and corporate officers and managers, thereby providing the company advance notice in order to take action(s) to minimize and/or to avoid litigation and to reduce legal costs for the company.

3. (Original) The method according to claim 2, wherein the corporate documents include bylaws, minutes of meetings for the board of directors, other corporate officers, and/or managers.

4. (Canceled).

5. (Original) The method according to claim 2, wherein the advising step includes advising regarding select issues, matters, and areas of potential litigation.

6. (New) The method according to claim 2, further comprising the step of removing, deleting, or otherwise purging from the data processing system information that might result in legal action being taken against the business.

## REMARKS:

Regarding the claims, claims 2-5 stand rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claim 2 is now amended to replace "business terms" with "business language." Furthermore, this claim also includes new language taken directly from the specification that describes the meaning of "business language." See Detailed Description, page 6, lines 3-8. In particular, "business language" within the context of the present invention is language that reduces legal terms and documents into layman terms that can be understood by a nonprofessional, such as a business person. A common definition of "layman" is one that is not a member of a given profession, such as law or medicine. See Definition of "layman" from [www.dictionary.reference.com](http://www.dictionary.reference.com). (Attached). Accordingly, the 112 rejection claim 2 and the claims depending from this claim is respectfully traversed.

Claims 1-5 stand rejected under 35 U.S.C. 103(a) as being unpatentable over Sprague (1990) in view of Stafford (April 15, 2001). Neither of these references, even if combined, teaches each and every feature of the present invention. Notably, the Sprague and Stafford references fail to teach a system that actually provides oversight and advice to businesses. At most, Sprague describes a system that facilitates legal audits by legal professionals with the use of a database of applicable statutory and case law. However, the Sprague system requires significant input and participation by trained professionals, namely, lawyers or law students, in order to generate any useful or relevant recommendation. As described on page 773 of this reference, "[i]f

significant legal issues are identified, they can then be address by the small business' legal counsel more efficiently through the use of the report generated by the system."

In the present invention, the system itself fulfills the role of legal counsel by reviewing information, summarizing this information, overseeing the information and advising companies on this information through a system-generated report. See Detailed Description, page 6, lines 6-23. Another important feature of the present invention is the ability of the system to effectively communicate this information to the business by using "business language." As stated in the currently amended claim 2, the present system actually reduces legal documents to a summary form that uses language understood by a nonprofessional, such as a business manager. The system further includes the ability to remove, delete or purge information (see new claim 6) that has the potential of resulting in legal action being taken against the company. These features underscore the system's ability to provide both information and assistance to businesses without direct intervention by legal professionals.

The Sprague and Stafford references do not teach, suggest, or even contemplate a system that can provide such an all-encompassing corporate compliance and lawsuit prevention service. In fact, the Sprague reference states that its system is "limited to providing legal counseling services to *small* businesses." See page 778 (emphasis added). The present system can be employed by a variety of businesses, including large businesses, as it provides for a more universal means to organize, process and monitor large amounts of business information on a regular basis.

Importantly, modifying the references of Sprague and Stafford to include the distinct features of the present invention would not be obvious. For example, under the

Sprague and Stafford systems, the step of summarizing legal documents into "business language" is unnecessary considering legal professionals will either be interpreting reports generated by the system, or will be inputting information into the system. By contrast, this step is required in the present system, which is designed for the specific purpose of directly assisting businesses. Sprague and Stafford, on the other hand, describe systems for assisting legal professionals to analyze information and thereafter provide recommendations. Thus, input and intervention by legal professionals is both required and preferred in the references.

In view of the forgoing amendments and remarks, the 103 rejection of claims 1-5 is respectfully overcome. It is believed, therefore, that all of the claims now pending in the subject application are allowable over the references relied upon by the Office. Accordingly, a reconsideration of the present application is requested.

Respectfully submitted,

October 20, 2008



Sara Centioni Kanos  
Attorney for Applicant  
Reg. No.: 50,543  
Nexsen Pruet, LLC  
P.O. Drawer 10648  
Greenville, SC 29603  
T: 864-282-1171  
F: 864-282-1177  
[skanos@nexsenpruet.com](mailto:skanos@nexsenpruet.com)

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